

EXHIBIT B

Cork Suppliers Strive For Improved Quality

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CORK SUPPLIERS STRIVE FOR IMPROVED QUALITY

Extensive Laboratory Testing Produces Better Product

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US. cork suppliers are spending more time and resources in labor-intensive sampling and evaluation to prevent cork taint and assure vintners of good cork quality.

Cork Supply USA in Benicia, the largest supplier of corks in the United States, recently expanded its laboratory, testing methods and staff to assure increased levels of cork quality.

Cork Supply USA now employs three laboratory clinicians who test every lot that comes into the warehouse from producers in Portugal.

"We've doubled the size of our laboratory and added new equipment," said Justin Davis, sales manager. "The additions give us the capability to do extensive coating research and experimentation, and more accurate microbial testing."

Juvenal Direct in Napa also uses extensive laboratory testing to assure high levels of cork quality. This Portuguese-owned company opened a facility in the United States last fall.

Winemakers have been dropping by Cork Supply USA lately to view the new facility, including a team from Beringer Winery that came by unannounced to inspect the laboratory on a day when Cork Supply happened to be printing an order of corks for the winery.

The laboratory improvements include:

- A functional testing room with an automatic vacuum-head corks, an automatic cork extractor, and pressurized leak tester.
- A new clean room with fume hood, autoclave, incubator and oven.

New Extraction Testing

The extractor is a pneumatic device that extracts the cork and indicates the force required to do so. The extraction may be performed on corked bottles or on the plastic fixtures from the pressurized leak tester, a carousel apparatus used to evaluate the sealability of treated corks.

The extractor helps determine whether the amount of treatment applied was sufficient to allow removal of the cork without undue or excessive force. It is also used to establish treatment levels for applications using new glass and different bottle profiles. Problem bottles can be analyzed for extraction force and measured for conformity to specifications.

Carousel Evaluation

The carousel consists of a series of ports where corked fixtures can be attached and pressure applied to see if corks will leak. The fixtures are made of clear plastic with an internal diameter of 19 mm. The fixtures are placed in a custom-designed bottle which allows the cork to be inserted using the automatic vacuumed corks. The fixtures are corked and

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allowed to stabilize for a minimum of 30 minutes, at which time wine is introduced through the other end, then attached to the carousel port. Nitrogen gas is used to supply the desired pressure. The pressure is brought up to 15 psi and the fixture remains under pressure for one hour. After the pressure is released the corks are removed and any leakers identified. The cork is extracted and evaluated to determine the cause of leakage.

The bulk of the laboratory's main room is taken up with grading and sensory evaluation sections, staffed by two technicians and managed by Devin Callaway, quality assurance manager.

Five Steps To Cork Quality

Callaway and her team use five standard inspection procedures to ensure cork quality: sensory evaluation, quality evaluation, residual oxidants testing, moisture measurement and physical characteristics.

Some of these steps may have already been taken at Cork Supply's sister company in

Portugal, Global Cork. Cork Supply Portugal supplies about 20 percent of Cork Supply USA's cork, with the rest purchased from independent producers.

The Global Cork lab evaluates the quality of the raw corks, both for Cork Supply and other producers who seek the testing expertise of the state-of-the-art laboratory in Portugal, explained Callaway.

Each year Global Cork tests more than 1 million corks per year out of 250 million corks the cork supply group purchases annually. More than 90 percent of all cork tested is rejected as unsuitable on first testing, she said.

Corks that pass the quality standards at Global Cork are tested again at Cork Supply USA headquarters to maintain quality continuity during

processing and treatment, which includes dedusting, moisturizing, printing, coating and packaging for delivery.

Each lot of corks purchased by a winery comes with three reports: a pre-shipment inspection report from Portugal, an incoming inspection report by Cork Supply USA and a final inspection report. The reports provide quantitative information on visual, sensory, and quality measurements.

Sensory Evaluation

Sensory evaluation begins when corks arrive in bags of 10,000, each shipped in large bales on container ships from Portugal.

A sniff test is performed on a random sampling of corks based on the size of the shipment. The bale sample is sniffed to ascertain the presence of off aromas and general sensory character. A gross quality evaluation is also made to identify potential problems.

Soak tests are then performed on the cork sampling. Cork Supply USA has expanded its soak test to include sensory evaluations of eight-to-10 individual corks from a bale.

A tasting team of seven people evaluates the samples in a procedure used more often at the winery. The individual soaks are in addition to the standard practice of group soaks, where three corks per bale sampled are placed in a 250 ml schott bottle and immersed in white wine.

Cork Supply recently switched from Carlo Rossi Chablis to Franzia Mountain Chablis because the latter is more sensitive to picking up off-characteristics, said Callaway.

After soaking for 24 hours, a portion of the wine is poured into a wine glass and sniffed to determine acceptability.

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The results from each bottle are graded as follows:

1. clean, positive or neutral
2. slightly off character
3. strong off character
4. TCA

Any bales found to have tainted corks are placed on hold and are resampled. Fifty individual soak tests are performed. One in 50 corks with TCA is acceptable, but if two in 50 are found, the bale is rejected.

Residual Oxidants

The residual oxidants test detects the presence of oxidants on the cork surface.

Oxidants left on the cork after initial washing can cause oxidation in wines.

At Cork Supply USA, a solution of potassium iodide and acetic acid with a starch indicator is used to detect oxidants. If residual oxidants are present, the solution will turn a distinct violet color.

Cork Supply's Alpha-type corks are washed with a mild hydrogen peroxide solution and must remain unchanged in color to pass the test. Chlorine-washed corks are evaluated on a reference only basis and faint color changes are not uncommon.

Natura-type corks washed with potassium metabisulfite are also tested.

Moisture

Moisture samples for incoming lots are pulled from the bales' sample bags at a rate of 5 per bag, with a minimum of 15 corks and a maximum of 50 corks. A DC-2011 moisture meter is used to test the moisture levels by placing sensory needles into the side of each cork at one location. The median point is identified and documented. This evaluation is a reference only rather than a pass/fail test because moisture is monitored and adjusted before processing is complete.

Moisture is evaluated by production staff before the cork processing begins in the dedust area. It is checked again before and after treatment.

Quality Evaluation

After sensory, residual oxidants and moisture samples are pulled from the sample bags, the remaining corks are combined for grading.

They are segregated into letter categories, A through D. Points are assigned to each letter category and the point total for the lot is calculated and expressed per 100 corks.

Cork Supply uses intensive hand-selection for wineries that require a specific grading uniformity.

Physical characteristics of the corks are also checked at this time to make sure they are the correct length, diameter and shape.

Post-Treatment Tests; Examined for Capillary Activity

Corks are evaluated after treatment for capillary activity. They are tested at a rate of about four corks per 100,000 corks.

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They are pulled randomly and placed on end in red wine at a height of about 5 ml.

The corks remain in the wine for 24 hours, after which they are inspected for wine travel up the cork.

After corks are bagged for shipment in plastic bags gassed with sulfur dioxide, they are tested once more 24 hours after packaging.

The test for microbiologic activity is performed once a day on larger orders which will be shipped after evaluation. Gas levels are also evaluated twice a day.
